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REPORT OF THE INDUSTRIAL DEVELOPMENT BOARD ON THE WORK OF ITS TWENTY-SECOND SESSION

(30-31 MAY 2000)

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Introduction

1. The report of the Industrial Development Board on the work of its twenty-second session is presented to the General Conference in accordance with Article 9.4 (c) of the Constitution. The summary records of the Board (IDB.22/SR.1-4), where the details of the proceedings are contained, form an integral part of the present report.

I. ORGANIZATIONAL AND PROCEDURAL MATTERS

2. The twenty-second session of the Board was held at UNIDO Headquarters, Vienna International Centre, from 30 to 31 May 2000 (4 plenary meetings—see IDB.22/SR.1-4).

Participation

3. The following 51 of the 53 members of the Board were represented at the session:

Algeria, Argentina, Austria, Belarus, Belgium, Bulgaria, Burkina Faso, Chile, China, Colombia, Côte d'Ivoire, Croatia, Cuba, Ecuador, Egypt, Ethiopia, France, Germany, Guatemala, India, Indonesia, Iran (Islamic Republic of), Ireland, Italy, Japan, Kuwait, Libyan Arab Jamahiriya, Luxembourg, Madagascar, Mexico, Morocco, Nigeria, Norway, Pakistan, Peru, Poland, Portugal, Republic of Korea, Russian Federation, Saudi Arabia, Spain, Sri Lanka, Sudan, Sweden, Switzerland, Syrian Arab Republic, Thailand, Tunisia, Turkey, United Kingdom of Great Britain and Northern Ireland and Uruguay.

4. The following 37 Member States of UNIDO also participated in the session:

Angola, Azerbaijan, Bolivia, Bosnia and Herzegovina, Brazil, Cape Verde, Costa Rica, Czech Republic, Denmark, Finland, Georgia, Greece, Hungary, Iraq, Israel, Kenya, Lebanon, Malaysia, Malta, Namibia, Netherlands, Nicaragua, Oman, Panama, Philippines, Romania, Senegal, Slovakia, Slovenia, The former Yugoslav Republic of Macedonia, Ukraine, United Arab Emirates, Uzbekistan, Venezuela, Viet Nam, Yemen and Zimbabwe.

5. The Holy See and South Africa participated as observers.

6. The permanent observer of Palestine also participated.

7. The following United Nations bodies were represented: United Nations Development Programme, United Nations Office at Vienna and United Nations Joint Inspection Unit.

8. The following United Nations specialized agencies were represented: International Atomic Energy Agency and United Nations Educational, Scientific and Cultural Organization.

9. The following intergovernmental organizations were represented: Arab Industrial Development and Mining Organization, Commonwealth Secretariat, European Commission, International Institute of Refrigeration and League of Arab States.

10. The following non-governmental organizations were represented: Austro-Egyptian Chamber of Commerce, Association of Former United Nations Industrial Development Experts, Institut Supérieur de Gestion, International Confederation of Free Trade Unions, International Congress of Industrialists and Entrepreneurs, International Organization for Standardization, Organization of Islamic Capitals and

Cities and World Association for Small and Medium Enterprises.

Opening of the session

11. The twenty-second session of the Industrial Development Board was declared open by the President of the twenty-first session, Mr. M. Regueg (Algeria).

Officers of the session

12. In accordance with rule 23 of its rules of procedure, the Board elected by acclamation Mr. A. Ortiz (Spain) as President; Mr. M. M. Nobilo (Croatia), Mr. F. A. Urruela Prado (Guatemala), and Mr. M. A. Kermashah (Islamic Republic of Iran) as Vice-Presidents; and Mr. A. Laassel (Morocco) as Rapporteur.

Agenda for the session

13. With amendments (see summary record IDB.22/SR.1, paras. 9-12), the Board adopted the following agenda:

1. Election of officers.
2. Adoption of the agenda.
3. Annual report of the Director-General on the activities of the Organization in 1999.
4. Financing the integrated technical cooperation programmes in developing countries.
5. Financial situation of UNIDO, including arrears.
6. Implementation of the integrated programmes.
7. Implementation of resolution GC.8/Res.3 on sustainable industrial development.
8. Establishment of an international centre for sustainable industrial development.
9. Administrative matters.
10. Provisional agenda and date of the twenty-third session.
11. Adoption of the report.

14. The Board adopted a proposal by the President to ensure the maximum utilization of available conference-servicing resources (see annex I, decision IDB.22/Dec.1; IDB.22/SR.1, paras. 32 to 33).

15. The Board decided to set up informal, in-session consultations with the aim of facilitating the drafting of decisions and entrusted Mr. Urruela Prado (Guatemala), Vice-President, to chair those consultations (see IDB.22/SR.2, paras. 1 to 3).

II. ANNUAL REPORT OF THE DIRECTOR-GENERAL ON THE ACTIVITIES OF THE ORGANIZATION IN 1999

16. The Board had before it the Annual Report of UNIDO, 1999, including programme performance report (IDB.22/2 and Corr.1 and IDB.22/2/Add.1). The debate on item 3 is reflected in summary records IDB.22/SR.1, paragraphs 40, 46, 47, 49, 56, 57, 63, 67 and 80 and IDB.22/SR.2, paragraphs 5, 7, 8, 16, 29, 35, 46, 51, 45, 59, 60, 67, 70, 73 and 83. At the suggestion of the President, the Board took note of information provided by the Secretariat (IDB.22/SR.4, paras. 4-5).

III. FINANCING THE INTEGRATED TECHNICAL COOPERATION PROGRAMMES IN DEVELOPING COUNTRIES; IMPLEMENTATION OF THE INTEGRATED PROGRAMMES

17. The Board decided to discuss simultaneously item 4 (Financing the integrated technical cooperation programmes in developing countries) and item 6 (Implementation of the integrated programmes). The debate on the two agenda items is reflected in summary record IDB.22/SR.1, paragraphs 41, 43, 50-53, 59-60, 52, 54, 70, 72, 77-78, 82 and 84-85, IDB.22/SR.2, paragraphs 5, 10-15, 18-20, 29, 32, 34, 36-38, 40-41, 43-45, 48-49, 52-53, 57-58, 61, 63-64, 66, 75-77, 79-82 and 84 and IDB.22/SR.3, paragraphs 4-7, 9-12, 15 and 17-25.

A. Financing the integrated technical cooperation programmes in developing countries

18. The Board had before it reports by the Director-General on mobilization of financial resources for UNIDO programmes (IDB.22/3) and on the Global Environment Facility and technical cooperation activities (IDB.22/4). The Board considered a draft decision submitted by the President (IDB.22/L.6) and adopted decision IDB.22/Dec. 2 (see annex I).

B. Implementation of the integrated programmes

19. The Board had before it a report by the Director-General on the implementation of the integrated programmes (IDB.22/2, chap. I.A; chap. III.A; IDB.22/7 and Corr.1 and 2) and a conference room paper containing a note by the Secretariat on indicators

and impact in the integrated programmes (IDB.22/CRP.3). At the suggestion of the President, the Board took note of information provided by the Secretariat (IDB.22/SR.4, paras. 11-12).

IV. FINANCIAL SITUATION OF UNIDO, INCLUDING ARREARS

20. The Board had before it a report by the Director-General on the financial situation of UNIDO (IDB.22/2, chap. III.E; IDB.22/8) and a conference room paper on the subject (IDB.22/CRP.4). The debate on item 5 is reflected in summary record IDB.22/SR.1, paragraphs 42, 48, 54, 58, 65, 68, 71, 73, 74-75, 81 and 83, IDB.22/SR.,2, paragraphs 4, 9, 17, 22, 23, 24, 33, 42, 47, 50, 56, 62, 65, 71, 74 and 78 and IDB.22/SR.3, paragraphs 3, 8, 13, 14, 16 and 19. The Board considered a draft decision submitted by the President (IDB.22/L.2) and adopted decision IDB.22/Dec. 3 (see annex I).

V. IMPLEMENTATION OF RESOLUTION GC.8/RES.3 ON SUSTAINABLE INDUSTRIAL DEVELOPMENT

21. The Board had before it a report by the Director-General on implementation of resolution GC.8/Res.3 on sustainable industrial development (IDB.22/9). The debate on item 7 is reflected in summary records IDB.22/SR.1, paragraphs 44, 61, 69, 76 and 79, IDB.22/SR.2, paragraphs 18, 21, 25, 26, 27, 30, 31, 68 and 69 and IDB.22/SR.3, paragraphs 2, 5, 26, 27 and 28. The Board considered a draft decision submitted by the President (IDB.22/L.8) and adopted decision IDB.22/Dec. 4 (see annex I).

VI. ESTABLISHMENT OF AN INTERNATIONAL CENTRE FOR SUSTAINABLE INDUSTRIAL DEVELOPMENT

22. The Board had before it a report by the Director-General on establishment of an international centre for sustainable industrial development (IDB.22/10 and Add.1). The debate on item 8 is reflected in summary records IDB.22/SR.2, paragraph 8 and IDB.22/SR.3, paragraphs 27 and 28. The Board considered a draft decision submitted by the President (IDB.22/L.7) and, with an amendment, adopted decision IDB.22/Dec. 5 (see annex I).

VII. ADMINISTRATIVE MATTERS

23. The Board had before it a report by the Director-General on personnel matters (IDB.22/5) and a note by the Director-General on activities of the Joint Inspection Unit (IDB.22/6 and Add.1). The debate on item 9 is reflected in summary records IDB.22/SR.1, paragraphs 45 and 66, IDB.22/SR.2, paragraphs 54 and 55 and IDB.22/SR.3, paragraphs 29, 30, 31, 32, 33 and 34. The Board considered two draft decisions submitted by the President (IDB.22/L.3 and IDB.22/L.9) and adopted decisions IDB.22/Dec. 6 and IDB.22/Dec. 7 (see annex I).

VIII. PROVISIONAL AGENDA AND DATE OF THE TWENTY-THIRD SESSION

24. The Board had before it a conference room paper containing a note by the Director-General on the provisional agenda and date of the twenty-third session (IDB.22/CRP.2). The Board considered two draft decisions submitted by the President (IDB.22/L.4 and IDB.22/L.5) and adopted decisions IDB.22/Dec. 8 and IDB.22/Dec. 9 (see annex I).

IX. ADOPTION OF THE REPORT

25. The Board considered the draft report (IDB.22/L.1) and adopted it as a whole with the understanding that the Rapporteur would be entrusted with the task of finalizing the report (see summary record IDB.22/SR.4, paras. 37-39).

X. CLOSURE OF THE TWENTY-SECOND SESSION

26. On 31 May 2000, at 4.10 p.m., the Board closed its twenty-second session.

Annex I

DECISIONS ADOPTED BY THE BOARD AT ITS TWENTY-SECOND SESSION

Decision No.	*Title*	*Page*
IDB.22/Dec.1	Utilization of available conference-servicing resources (IDB.22/SR.1, paras. 32-33)	6
IDB.22/Dec.2	Financing the integrated technical cooperation programmes in developing countries (IDB.22/SR.4, paras. 6-7)	6
IDB.22/Dec.3	Financial situation of UNIDO, including arrears (IDB.22/SR.4, paras. 8-9)	6
IDB.22/Dec.4	Implementation of resolution GC.8/Res.3 on sustainable industrial development (IDB.22/SR.4, paras. 13-14)	6
IDB.22/Dec.5	Establishment of an international centre for sustainable industrial development (IDB.22/SR.4, paras. 15-22)	7
IDB.22/Dec.6	Administrative matters: Personnel matters (IDB.22/SR.4, paras. 23-26)	7
IDB.22/Dec.7	Activities of the Joint Inspection Unit (IDB.22/SR.4, paras. 27-28)	7
IDB.22/Dec.8	Date of the sixteenth session of the Programme and Budget Committee (IDB.22/SR.4, paras. 29-30)	7
IDB.22/Dec.9	Provisional agenda and date of the twenty-third session (IDB.22/SR.4, paras. 31-36)	8

IDB.22/Dec.1 UTILIZATION OF AVAILABLE CONFERENCE-SERVICING RESOURCES

The Industrial Development Board, with the aim of utilizing the available conference-servicing resources to the maximum possible effect, decided to suspend with immediate effect rule 32 of its rules of procedure relating to the quorum, for the meetings of its twenty-second session only and provided no substantive decisions were taken at those meetings.

1st plenary meeting
30 May 2000

IDB.22/Dec.2 FINANCING THE INTEGRATED TECHNICAL COOPERATION PROGRAMMES IN DEVELOPING COUNTRIES

The Industrial Development Board:

(a) Took note of the information provided by the Director-General in document IDB.22/3 on the mobilization of financial resources as well as in the *Annual Report 1999* (IDB.22/2);

(b) Considered the importance of adequate funding for the integrated programmes developed by UNIDO, and welcomed the innovative actions outlined by the Director-General;

(c) Noted with concern the insufficiency of resources from voluntary contributions to the Industrial Development Fund and technical cooperation activities;

(d) Requested all Member States to contribute to or to increase their voluntary contributions to UNIDO, including programmable contributions to the Industrial Development Fund;

(e) Requested all Member States to work more closely with UNIDO in mobilizing funds and financing the integrated programmes from bilateral and multilateral funds, notably from development financing institutions and through cost-sharing mechanisms;

(f) Requested the Director-General to continue and intensify his efforts to mobilize resources for the implementation of the integrated programmes, keeping in mind the need to ensure the early implementation and the effective impact of a number of integrated programmes;

(g) Requested Member States to consider increasing their contributions to the Industrial Development Fund in order to render its resources sufficient and more predictable;

(h) Requested the Director-General to report to the Board at its twenty-fourth session on the level of the Industrial Development Fund, and on individual contributions to technical cooperation activities.

4th plenary meeting
31 May 2000

IDB.22/Dec.3 FINANCIAL SITUATION OF UNIDO, INCLUDING ARREARS

The Industrial Development Board:

(a) Took note of the information provided in document IDB.22/8;

(b) Also took note of the information contained in paragraph 16 of document IDB.22/8 concerning the availability of interest income for distribution;

(c) Further took note of the total amount ($4,405,323) that became available for the purpose of funding the implementation of the integrated programmes, and the requirement to report to the twenty-third session of the Board, through the Programme and Budget Committee, on the utilization of those funds (IDB.22/8, chap. VI);

(d) Urged those Member States and former Member States that have not yet paid their assessed contributions, including advances to the Working Capital Fund and prior years' arrears, to do so without delay.

4th plenary meeting
31 May 2000

IDB.22/Dec.4 IMPLEMENTATION OF RESOLUTION GC.8/RES.3 ON SUSTAINABLE INDUSTRIAL DEVELOPMENT

The Industrial Development Board:

(a) Recalled General Conference resolution GC.8/Res.3;

(b) Took note of the information provided by the Director-General in document IDB.22/9 on the implementation of resolution GC.8/Res.3 on sustainable industrial development;

(c) Requested the Director-General to further explore means for the implementation of resolution GC.8/Res.3 in order to assist developing countries and countries in transition to achieve a higher level of

sustainable industrial development by adapting their industrial production to international norms and standards;

(d) Further requested the Director-General to enhance cooperation between UNIDO and multilateral financing institutions, notably the Montreal Protocol, the Kyoto Protocol and the Global Environment Facility, in order to ensure the financial resources required for the implementation of the resolution;

(e) Requested the Director-General to report on the implementation of resolution GC.8/Res.3 to the Board at its twenty-fourth session.

4th plenary meeting
31 May 2000

IDB.22/Dec.5 ESTABLISHMENT OF AN INTERNATIONAL CENTRE FOR SUSTAINABLE INDUSTRIAL DEVELOPMENT

The Industrial Development Board:

(a) Recalled that Article 1 of the Constitution of UNIDO states, *inter alia*, that the Organization shall also promote industrial development and cooperation at the regional level;

(b) Took note with appreciation of the initiative of Slovenia to host an international centre for sustainable industrial development and of the reports of the Director-General on the matter (IDB.22/10 and Add.1);

(c) Requested the Director-General to conduct consultations with the parties concerned on possible future cooperation between UNIDO and the international centre for sustainable industrial development proposed by the Government of Slovenia, and to report to the Board at its twenty-third session.

4th plenary meeting
31 May 2000

IDB.22/Dec.6 ADMINISTRATIVE MATTERS: PERSONNEL MATTERS

The Industrial Development Board:

(a) Took note of the information contained in document IDB.22/5 and of subsequent developments concerning membership of the UNIDO Staff Pension Committee;

(b) Noted the amendments made in pursuance of staff regulation 13.3 to schedules I and III to the staff regulations in order to bring them into conformity with the decisions of the General Assembly set out in resolution 54/238;

(c) Also noted the amendments to the staff rules and appendices thereof reported under chapter II of document IDB.22/5;

(d) In accordance with General Conference decision GC.8/Dec.19 (b), decided to elect for the remainder of the biennium 2000-2001 Mr. Y. Amamiya (Japan) as member of the UNIDO Staff Pension Committee effective 1 August 2000 to replace Mr. Drofenik, and Lazare Gansonré (Burkina Faso) as alternate member of the Committee effective 1 June 2000 to replace Mr. Almeida.

4th plenary meeting
31 May 2000

IDB.22/Dec.7 ACTIVITIES OF THE JOINT INSPECTION UNIT

The Industrial Development Board:

(a) Bore in mind the provisions of the statute of the Joint Inspection Unit and resolution 48/221 of the United Nations General Assembly;

(b) Took note of the comments made by the Director-General on the note entitled "Handling of Joint Inspection Unit reports by UNIDO" (IDB.22/6, paras. 13-15);

(c) Encouraged the UNIDO Secretariat to continue its dialogue with the Joint Inspection Unit with a view to developing a system of follow-up to Joint Inspection Unit recommendations in full consultation with all Member States and in due time, and to report thereon to the Industrial Development Board at its twenty-third session.

4th plenary meeting
31 May 2000

IDB.22/Dec.8 DATE OF THE SIXTEENTH SESSION OF THE PROGRAMME AND BUDGET COMMITTEE

The Industrial Development Board:

(a) Took note of Programme and Budget Committee conclusion 99/9;

(b) Took into consideration General Assembly resolutions 53/202, 53/239 and 54/254, by which the Assembly decided to convene the Millennium Summit of the United Nations from 6 to 8 September 2000;

(c) Decided to hold the sixteenth session of the Programme and Budget Committee on 4 and 5 September 2000.

4th plenary meeting
31 May 2000

IDB.22/Dec.9 PROVISIONAL AGENDA AND DATE OF THE TWENTY-THIRD SESSION

The Industrial Development Board:

(a) Took note of the information contained in document IDB.22/CRP.2;

(b) Decided to adopt the following provisional agenda for its twenty-third session:

1. Opening of the session
2. Adoption of the agenda
3. Report of the Programme and Budget Committee:
   - (a) Report of the External Auditor, financial performance report and programme performance report for the biennium 1998-1999
   - (b) Financial situation of UNIDO, including arrears
   - (c) Unutilized balances of appropriations, 1992-1993 and 1996-1997
   - (d) Financial regulations
   - (e) Transition to a single-currency system
   - (f) Medium-term programme framework, 2002-2005
   - (g) Mobilization of financial resources
4. Integrated programmes
5. Field representation
6. Global forum activities
7. Operational activities for development
8. Proposed international centre for sustainable industrial development
9. Activities of the Joint Inspection Unit
10. Matters related to intergovernmental, non-governmental, governmental and other organizations
11. Preparations for the ninth session of the General Conference
12. Provisional agenda and date of the twenty-fourth session
13. Adoption of the report
14. Closure of the session

(c) Decided to hold its twenty-third session from 14 to 16 November 2000.

4th plenary meeting
31 May 2000

Annex II

DOCUMENTS SUBMITTED TO THE BOARD AT ITS TWENTY-SECOND SESSION

Symbol	*Agenda item*	*Title*
IDB.22/1	2	Provisional agenda
IDB.22/1/Add.1	2	Annotated provisional agenda
IDB.22/2-PBC.16/2 and Corr.1	3	Annual Report of UNIDO 1999
IDB.22/2/Add.1-PBC.16/2/Add.1	3	Annual Report of UNIDO 1999 Programme performance report. List of technical cooperation projects
IDB.22/3	4	Mobilization of financial resources for UNIDO programmes. Report by the Director-General
IDB.22/4	4	Global Environment Facility and technical cooperation activities. Report by the Director-General
IDB.22/5	9	Personnel matters. Report by the Director-General
IDB.22/6 and Add.1	9	Activities of the Joint Inspection Unit. Note by the Director-General
IDB.22/7 and Corr.1 and Corr.2	6	Implementation of the integrated programmes. Report by the Director-General
IDB.22/8	5	Financial situation of UNIDO. Report by the Director-General
IDB.22/9	7	Implementation of resolution GC.8/Res.3 on sustainable industrial development. Report by the Director-General
IDB.22/10 and Add.1	8	Establishment of an international centre for sustainable development. Report by the Director-General
IDB.22/CRP.1	2	List of documents
IDB.22/CRP.2	10	Provisional agenda and date of the twenty-third session. Note by the Director-General
IDB.22/CRP.3	6	Indicators and impact in the integrated programmes. Note by the Secretariat
IDB.22/CRP.4	5	Financial situation of UNIDO. Note by the Secretariat
IDB.22/CRP.5	-	List of participants